

**SFA**

BILL ANALYSIS

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Senate Fiscal Agency

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Senate Bill 717

Sponsor: Senator Norm Shinkle

Committee: Commerce and Technology

Date Completed: 3-8-88

SUMMARY OF SENATE BILL 717 as introduced 2-18-88:

The bill would amend Public Act 51 of 1925, which provides for the licensure and regulation of transient merchants, to increase the amount of information required on a license application, permit the impoundment and public sale of goods offered for sale by unlicensed merchants, and broaden the category of merchants not covered by the Act.

Specifically, the bill would require an applicant for a transient merchant license to include on the license application to the county treasurer the merchant's Federal taxpayer and State employer identification numbers and number of employees, in addition to the applicant's name, residence and place and type of business as currently required, and to attach a copy of his or her Michigan sales tax license to the application. Not more than 10 days after issuing a license, the county treasurer would have to send a copy of the license and completed application to the State Treasurer.

Currently, a violation of the Act constitutes a misdemeanor punishable by a fine of up to \$100, up to 90 days in jail, or both. The bill would delete these penalty provisions, and provide instead that upon verification that a person was conducting business as a transient merchant without a license, the county sheriff could immediately assume custody and impound all goods offered for sale by the transient merchant. Failure of the transient merchant to pay all fees plus an additional fee of \$1,000 within five business days after impoundment would have to be reported to the county board of commissioners by the sheriff who could then request authority from the board to sell the impounded goods. The board would have to act upon the sheriff's request not later than 90 days after receiving the request. If the request were approved, the sheriff would have to publish notice of the public sale, including a description of the property and the time and place of the sale at which the property could be sold to the highest bidder, in a general circulation newspaper in the county at least five days before the sale. The sheriff would have to conduct the sale and deposit 30% of the sale proceeds with the State Treasurer and 70% with the county treasurer. A sheriff disposing of impounded property would not be liable to the transient merchant for the sale.

Finally, the bill would extend the Act's exemption provisions to persons who solicit orders by sample, brochure or sales catalog for future delivery

or make sales at residential premises by invitation of the owner or legal occupant of the premises.

MCL 445.371 et al.

Legislative Analyst: L. Burghardt

FISCAL IMPACT

Senate Bill 717 would result in an indeterminate increase in revenue for the State and counties. The revenue would result from unlicensed vendors' goods being seized and sold by the county sheriff. The bill provides that 30% of the revenue generated from such a sale would go to the State and 70% to the county. The actual revenue would depend on the number and size of such sales of seized goods.

Fiscal Analyst: G. Olson

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.